

PROJECT PROFILE ON TOUGHENED GLASS

| | | |
|------------------------------------|---|---|
| PRODUCT CODE (ASICC) | : | 94107 |
| QUALITY AND STANDARDS | : | IS 2553:1971 IS 6180:1971 IS 6640:1972 |
| Production Capacity (per annum) | : | Quantity: 3, 60,000 S.ft. |
| | : | Value : Rs. 3,24,00,000 |
| YEAR OF PREPARATION | : | 2010-11 |
| PREPARED BY | : | MSME Development Institute (Ministry of MSME, Govt. of India) 65/1, Guindy, Chennai -600032 Ph.& Fax: 044-22501475 |

I. Introduction:

Toughened glass acquires a degree of strength far in excess of the strength of normal glass sheet or plate glass, which if broken shatters into small and comparatively harmless pieces. It is claimed that the resistance to mechanical shock of toughened plate glass is 4 to 5 times more than that of ordinary plate glass. A toughened glass has better resistance to the vibration, mechanical shock and abrasion.

Toughened Glass has to pass the following important tests:

- i. Transfer strength test on sheets on simply supported (Modules of rupture and electricity)
- ii. Impact test: By following weight on sheets supported on two wooden battens
- iii. Impact by falling weight on sheet evenly bedded (on putty)
- iv. Impact by falling weight on edge of sheet
- v. Repeated twisting tests
- vi. Sand blast abrasion
- vii. Thermal tests

Because of the strength and other specific physical properties mentioned above, it finds applications in the following fields:

- i. Automobile: Cars, trucks, Industry buses, tempos etc.
- ii. Railways: Coaches
- iii. Defence: Fleets, vehicles factory
- iv. Commercial: Hotels, shops, complex
- v. Air ports: Doors

II. Market Potential:

With increased transportation facilities the demand of the product is increasing at a steady pace especially in the automobile industry, railways, ships building both for production and replacement. Local market and advertisement has become very essential for the success of any business activity. As such it is found to have scope for starting new small scale units for the manufacture of Toughened glass to meet the growing demand.

III. Basis and Presumptions:

- a) The basis for calculation of production capacity has been taken on single shift basis on 75% efficiency.
- b) The maximum capacity utilization on single shift basis for 300 days a year. During first year and second year of operations the capacity utilization is 60% and 80% respectively. The unit is expected to achieve full capacity utilization from the third year onwards.
- c) The salaries and wages, cost of raw materials, utilities, rents, etc. are based on the prevailing rates in and around Chennai. These cost factors are likely to vary with time and location.

- d) Interest on term loan and working capital loan has been taken at the rate of 18 % on an average. This rate may vary depending upon the policy of the financial institutions/agencies from time to time.
- e) The cost of machinery and equipments refer to a particular make/model and prices are approximate.
- f) The break-even point percentage indicated is of full capacity utilization.
- g) The project preparation cost etc. whenever required could be considered under pre-operative expenses.

IV. Implementation Schedule:

The major activities in the implementation of the project have been listed and the average time for implementation of the project is estimated at 12 months:

| S. No | Activity | Period (In Months) |
|-------|--|--------------------|
| 1 | Preparation of project report | 1 |
| 2 | Registration and other formalities | 1 |
| 3 | Sanction of loan by financial institutions | 3 |
| 4 | Plant and Machinery: | |
| | a) Placement of orders | 1 |
| | b) Procurement | 2 |
| | c) Power connection/ Electrification | 2 |
| | d) Installation/Erection of machinery/Test Equipment | 2 |
| 5 | Procurement of raw materials | 2 |
| 6 | Recruitment of Technical Personnel etc | 2 |
| 7 | Trial production | 11 |
| 8 | Commercial production | 12 |

Notes

1. Many of the above activities shall be initiated concurrently.
2. Procurement of raw materials commences from the 8th month onwards.
3. When imported plant and machinery are required, the implementation period of project may vary from 12 months to 15 months.

V. Technical Aspects:

1) Process of Manufacture:

The glass plate is heated to a temperature above its softening point and then subjected to rapid cooling. The glass is suddenly chilled and in this process contracts towards the core. It stretches until it has solidified and is no longer able to contract further at this stage the core is still soft. It contracts against restrained exercise by the solidified upper layer of the glass. This compression is responsible for the strength of the glass sheet, which is limited to about 20,000 lb/sq.inch. Thus it is highly stressed and the resultant force is able to nullify the external impact.

The intensity of the stresses depends on the rate of cooling, co-efficient of expansion, thermal conductivity of the glass, its specific heat, elasticity, and certain other physical properties.

Toughening Process:

The raw plate glass sheet which is free from waviness, distortion etc., is cut to required size and shape and then all the edges are ground and polished as per end use of the product. This is called edge

grinding and polishing and is very important for toughening because it will lead to breakages during process. No glass sheet can be toughened without edge grinding and polishing.

Washing and Drying:

After the edge grinding and polishing the glass sheets are washed manually or by machine and then dried. The glass sheets are fed into the furnace (Electrically operated). The sheets are kept in the furnace above its softening point, which varies according to the composition of glass. After attaining required temperature the glass sheets are removed out of the furnace and placed in the air blowing quenching boxes for 20 to 25 seconds. After quenching glass sheet is toughened. For bend glass toughening, the glass sheets passes through a set of dies (as per shape) after furnace and then to the quenching boxes.

Testing:

After toughening all the sheet glasses are passed through the polariscope inspection.

2) Quality Control and Standards:

IS 2553:1971

IS 6180:1971

IS 6640:1972

3) Production Capacity (per annum) :

Quantity: 3, 60,000 S.ft. &

Value: Rs. 3, 24, 00,000

4) Pollution Control:

The Government accords utmost importance to control environmental pollution. The small-scale entrepreneurs should have an environmental friendly attitude and adopt pollution control measures by process modification and technology substitution.

India having acceded to the Montreal Protocol in September 1992, the production and use of Ozone Depleting Substances (ODS) like Chlorofluoro Carbon (CFCs), Carbon Tetrachloride, Halons and methyl Chloroform etc. need to be phased out immediately with alternative chemicals/solvents. A notification for detailed Rules to regulate ODS phase out under the Environment Protection Act, 1986 have been put in place with effect from 19th July 2000.

6) Energy Conservation:

With the growing energy needs and shortage coupled with rising energy cost, a greater thrust in energy efficiency in industrial sector has been given by the Government of India since 1980s. The Energy Conservation Act, 2001 has been enacted on 18th August 2001, which provides for efficient use of energy, its conservation and capacity building of Bureau of Energy Efficiency created under the Act.

The following steps may help for conservation of electrical energy:

- i) Adoption of energy conserving technologies, production aids and testing facilities.
- ii) Efficient management of process/manufacturing machineries and systems, QC and testing equipments for yielding maximum Energy Conservation.
- iii) Optimum use of electrical energy for heating during *Toughening Process & Washing and Drying* can be obtained by using efficient temperature controlled systems.
- iv) Periodical maintenance of motors, compressors etc.

VI. Financial Aspects:

a) Fixed Capital:

| (i) Land and Building : | (Rs.) |
|---|------------------|
| 3000 sq.mtrs. @ Rs.1,000/- Per Sq. Mtr | 30,00,000 |
| Built up area : Work shed = 400 mtrs @ 2,500 | 10,00,000 |
| workshop 100mtrs @ 3,000 | 3,00,000 |
| Laboratory block 50 mtrs.@ Rs. 4,000 | 2,00,000 |
| Water Tank & Boundary wall ..L.S. | 2,00,000 |
| Total | 47,00,000 |

(ii) Machinery and Equipments:

| Sl. No. | Description | Qty. | Price (Rs.) |
|---------|--|--------|-------------|
| 1 | Electric toughening furnace complete with refractory lining, heating elements, thermo-couples, recorders, operating panel board, oil circuit breaker, temperature controller etc. to heat the sheet glass at its softening point as per following specifications: Maximum kW: 185,Maximum temp. 800°C No. of zone: 6,Maximum sheet glass size: 84" x 36" (7'x 3') Electric supply: 400/440V, 3 phase | 1 | 40,00,000 |
| 2 | Air quenching blower with motor dia 1450 mm, motor 175 HP to cool the heated glass | 1 | 7,00,000 |
| 3 | Super structure and ducting (Fabricated locally) | 1 | 4,50,000 |
| 4 | Hydraulic equipment for curved sheets | 1 | 5,00,000 |
| 5 | Blowing boxes and moulds for curved sheets | 1 set | 1,00,000 |
| 6 | Edge working machine for edge arising with motor, starter, grinding wheel, | 2 sets | 2,00,000 |
| 7 | water tough and V belt Vertical notching machine complete with motor starter, V belt etc., for edge working | 1 | 1,00,000 |
| 8 | Vertical grinding machine complete with motor, starter, V belt etc., for edge working | 1 | 1,00,000 |
| 9 | Vertical polishing machine with motor,starter, V belt etc. | 1 | 80,000 |
| 10 | Drilling machine for drilling holes in the sheet glass for shaping suitable drilling 1" bore with 3" x 2" cast iron table with 10"/12" drilling centre | 1 | 1,20,000 |
| 11 | Cutting machine with arm table, cutting rail and swivel cutting head for shaping | 1 | 1,50,000 |

| | | | |
|---|--|--------|---------------|
| 12 | Drying and washing machine with blower, starter, heater conveyor, roller etc., for washing and drying the sheets | 1 | 3,00,000 |
| Testing equipments : | | | |
| 13 | Rectification machine to detect surface scratch | 1 | 50,000 |
| 14 | Polariscope inspection line with Polaroid sheet, light etc., for testing the strain/in the glass | 1 | 60,000 |
| 15 | Misc. tools | LS | 50,000 |
| <i>Maintenance and workshop machines:</i> | | | |
| 16 | Lathe machine complete with accessories | 1 | 2,00,000 |
| 17 | Pillar drilling machine | 1 | 25,000 |
| 18 | Power saw machine 10" | 1 | 25,000 |
| 19 | Hand drill 25 mm size | 1 set | 15,000 |
| 20 | Hand grinder 6" size | 1 | 10,000 |
| 21 | Tools for die making | L.S | 15,000 |
| 22 | Bench vice | 2 sets | 05,000 |
| 23 | Compressor | 1 | 50,000 |
| 24 | Pumps for water supply | 2 | 60,000 |
| 25 | Misc. equipments such as trolleys, glass cutting tables etc. | | 85,000 |
| 26 | Office equipment like typewriter, almirah, furniture, trolleys for carrying sheet glass etc. | LS | 1,00,000 |
| | Total | | 75,50,000 |
| Electric Sub-station: LT panel Electricals like bus bar, distribution board, main switch, cables etc. | | | 14,50,000 |
| <i>Installation and Electrification charges @ 10%</i> | | | 9,00,000 |
| (iii) | Pre operative expenses : | | 95,000 |
| Total : | | | 99,95,000 |
| Rounded off to | | | 1,00,00,000 |

B. Working Capital:**i) Staff and Labour (per month):****(Rs.)**

| | | | | |
|----------------|---------------------------------------|---|--------|----------|
| 1 | Production-cum-Factory Manager | 1 | 16,000 | 16,000 |
| 2 | Administrative officer cum-Accountant | 1 | 15,000 | 15,000 |
| 3 | Marketing executive | 1 | 14,000 | 14,000 |
| 4 | Production supervisor | 1 | 12,000 | 12,000 |
| 5 | Foreman | 2 | 12,000 | 24,000 |
| 6 | Furnace operator | 1 | 10,000 | 10,000 |
| 7 | Edge working operator | 3 | 08,000 | 24,000 |
| 8 | Glass cutter | 2 | 07,000 | 14,000 |
| 9 | Packing-cum-dispatch clerk | 1 | 07,000 | 07,000 |
| 10 | Fitters | 1 | 07,000 | 07,000 |
| 11 | Clerk Cum-typist | 1 | 07,000 | 07,000 |
| 12 | Skilled labour | 2 | 06,000 | 12,000 |
| 13 | Unskilled labour | 2 | 05,000 | 10,000 |
| 14 | Peon | 1 | 05,000 | 05,000 |
| 15 | Security staff | 2 | 05,000 | 10,000 |
| | <i>Perquisites @ 15% on Salaries</i> | | | 28,050 |
| Total | | | | 2,15,050 |
| Rounded off to | | | | 2,15,000 |

ii) Raw materials (per month):

| | |
|--|------------------|
| Sheet glass 32,000 sq.ft. @ Rs.40 per sq.ft. | 12,80,000 |
| Packing materials LS | 70,000 |
| Total | 13,50,000 |

| | |
|--|-----------------|
| (iii) Utilities (per month) : | (Rs.) |
| Power 50,000 kWh units @ Rs.7.00 per unit cost | 3,50,000 |
| Water L.S | 10,000 |
| Total | 3,60,000 |

| | | |
|-------------|---|--------------|
| (iv) | Other Contingent Expenditure (per month) : | (Rs.) |
|-------------|---|--------------|

| | | |
|--|------------------------------|------------------|
| 1 | Postage and Stationery | 2,000 |
| 2 | Sales expenses | 2,000 |
| 3 | Telephone Charges | 2,000 |
| 4 | Transport Charges | 5,000 |
| 5 | Insurances | 20,000 |
| 6 | Miscellaneous | 9,000 |
| | Total | 40,000 |
| (v) Working Expenditure (per month) : | | |
| | Staff and Labour | 2,15,000 |
| | Raw Materials | 13,50,000 |
| | Utilities | 3,60,000 |
| | Other Contingent Expenditure | 40,000 |
| | Total | 19,65,000 |
| (vi) Working Capital (for 3 Months) : 19,65,000 x 3 = 58,95,000 | | |

C. Total Capital Investment:

| | |
|---|--------------------|
| (i) Land and Building | 47,00,000 |
| (ii) Machinery and Equipments & preoperative expenses | 1,00,00,000 |
| ii) Working Capital (for 3 months) | 58,95,000 |
| Total | 2,05,95,000 |

Machinery Utilization: 75% utilization of machinery and manpower has been taken into consideration.

VII. Financial Analysis: 1375000

| Cost of Production (per year) | | Rs. |
|-------------------------------|---|--------------------|
| 1 | Total recurring cost | 235,80,000 |
| | Depreciation on building @ 5% | 85,000 |
| | Depreciation on Machinery and Equipment @ 10% | 4,90,000 |
| 2 | Depreciation on furnace 20% | 8,00,000 |
| 3 | Depreciation on others & furniture @ 25% | 25,000 |
| 5 | Interest on Capital Investment @ 18 % | 37,07,100 |
| | Total | 2.86.87.100 |

(ii) Turnover (per year):

| | |
|---|---------------------------|
| For calculation purposes, it is assumed that the unit shall manufacture flat toughened glass of size 5 to 6 mm. the average prices of which has been taken at Rs.40 per sq.ft. total 3,84,000 sq.ft. (per year), after allowing rejection of 24,000 sq.ft., the saleable quantity will be 3,60,000 sq.ft., @ Rs.90/- per sq.ft. | Rs. 3,24,00,000 |
|---|---------------------------|

(iii) Net Profit (per year):

| | | |
|---|--------------------------|----------------|
| Total Sales Turnover (-) Cost of production | 32400000 (-) 2,86,87,100 | 3712900 |
|---|--------------------------|----------------|

(iv) Net Profit Ratio:

| | | |
|---|--|---------------|
| $\frac{\text{Net profit} \times 100}{\text{Annual turnover}}$ | $\frac{3712900 \times 100}{3,24,00,000}$ | 11.4 % |
|---|--|---------------|

(v) Rate of Return :

| | | |
|--|--|---------------|
| $\frac{\text{Net profit} \times 100}{\text{Capital Investment}}$ | $\frac{3712900 \times 100}{2,05,95,000}$ | = 18 % |
|--|--|---------------|

(vi) Break-even Point:

Fixed Cost :

| | | |
|---|--------------------------------------|------------------|
| 1 | Total Depreciation | 14,00,000 |
| 2 | Interest on Total Capital Investment | 37,07,100 |
| 3 | 40% of Salary and Wages | 10,32,000 |
| 4 | 40% of Other Contingent expenses | 96,000 |
| 5 | 100% of Insurance | 96,000 |
| | Total | 62,35,100 |

B.E.P. :

| | | |
|--|--------------------------------------|--------|
| $\frac{\text{Fixed cost} \times 100}{\text{Fixed cost} + \text{Profit}}$ | $\frac{6235100 \times 100}{9948000}$ | 62.7 % |
|--|--------------------------------------|--------|

VIII. Additional Information:

- a. The Project Profile may be modified /tailored to suit the individual entrepreneurship qualities/capacity, production programme and also to suit the locational characteristics, wherever applicable.
- b. The Electrical Technology is undergoing rapid strides of change and there is need for regular monitoring of the national and international technology scenario. The unit may, therefore, keep abreast with the new technologies in order to keep them in pace with the developments for global competition.
- c. Quality today is not only confined to the product or service alone. It also extends to the process and environment in which they are generated. The ISO 9000 defines standards for Quality Management Systems and ISO 14001 defines standards for Environmental Management System for acceptability at international level.
- d. The unit may therefore adopt these standards for global competition.
- e. The margin money recommended is 25% of the working capital requirement at an average. However, the percentage of margin money may vary as per bank's discretion.
- f. The raw materials and sales prices have been taken at the prevailing market and sales prices have been considered ex-factory

IX. Addresses of Machinery and Equipment Suppliers:

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|--|--|
| M/s. Wes make Industrial Products B-104, Mayapuri, Phase-I, New Delhi-64. | M/s. Wildbar Field (India) Ltd ,Mohur Street Building, 25-A, Dr. Annie Besant Road, Mumbai-18. |
| M/s. Mansfield Conveyors (P) Ltd, S-77, Baddi Indl. Estate,Delhi-42 | M/s. Supertuf Industries ,3/93, DB Gupta Road, Paharganj, New Delhi. |
| M/s. Associated Erectors 14 A, S.N. Banerjee Road, Kolkata-700 013. | M/s. Andrew Yule and Co. Ltd. Yule House, B. Civil Row, Kolkata-700 001. |
| M/s. Punam Machine and Tools 10, Ganesh Chandra Avenue, Kolkata - 700 013. | M/s. Eastern Engineering Works 7, Fancy Lane, II Floor, 4 A, Courz in House Street, Kolkata - 700 001. |

X. Addresses Raw Material Suppliers:

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|--|---|
| M/S. Saint Gobin Glass Ltd, Sri Perumbattur, Tamilnadu | |
| M/s. Shree Vallabha Glass Works Vallabha Vildyanagar, Via Anand, Dist. Kaira, (Gujarat) | M/s. Hindustan Pilkington Glass Works Ltd. Assansol, (West Bengal) |
| M/s. Triveni Sheet Glass Works Ltd. Bhurpur, Allahabad (UP). | M/s. Indo Asahi Glass Works Ltd. Hazaribag, (Bihar) |
| M/s. Haryana Sheet Glass Works Ltd. 20th Mill Stone, P. S. Rai, Sonapat, (Haryana) | M/s. Saraikela Glass Works Ltd. Kandra, Singh bum, (Bihar) |
| M/s. Sri Jagadamba Plywoods, 33/1, BVK Iyengar Road, Bangalore-53 | M/s. Dhariwal Glass,58, 2nd Floor, 21, Killari Road,Opp. T.V. Complex, Bangalore-53. |
| M/s. A.S. Glass and Plywoods, 8, Mysore Road, New Tharagupet, Bangalore-2 | M/s. Mahaveer Glass House, 32, BVK Iyengar Road, Bangalore-53. |
| M/s. Rachana Enterprises, 69/1, 2nd Main, 8th Block, Jayanagar, Bangalore-82. | M/s. Deepak Enterprises, 39B, Mamulpet, Bangalore-53 |